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| EXAMINER |
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03/23/2010

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

DETAILED ACTION

1. This office action is in response to applicant's communication of December 16, 2009. Cancellation of claims 1-6 and addition of new claims 7-12 have been entered. The amended abstract submitted on December 16, 2009 is objected to as discussed below. Claims 7-12 are pending and have been examined. The objections to the abstract, rejections and response to arguments are stated below.

Specification

2. The amended abstract submitted on December 16, 2009 is objected to by the examiner. Applicant is reminded of the proper content of an abstract of the disclosure. The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The abstract provided exceeds 150 words and the amendments to the abstract are not in the proper format. It is difficult for the examiner to ascertain which portions of the abstract are deleted and which portions are retained. Correction is required.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. Claims 7-12 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one

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skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. These claims recite in the preamble “An article of manufacture, a physical document, in the form of a fraction of the title to (or equivalently, a fraction of a deed of trust to) the land and dwelling of individual single-family homes”. Claim 8 also recites “An article of manufacture, according to claim 7, created with or without the use of a computer”. However there is no written description of any “An article of manufacture, a physical document” or “An article of manufacture created with or without the use of a computer” in the specification as originally filed.

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 7-12 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 7-12 recite the limitation “An article of manufacture, a physical document, in the form of a fraction of the title to (or equivalently, a fraction of a deed of trust to) the land and dwelling of individual single-family homes”. It is not clear to which statutory class the invention belongs. Even though the claims recite an article of manufacture, the claims are in fact drawn to a contract or a negotiable instrument between two parties. The fact that the contract is printed on a physical document does not change the statutory classification of the claimed invention. A contract or a title as claimed does belong to any of the statutory classes as defined by the statute.

There are several ambiguities in claims 7-12, making the scope of the claims unclear. For instance claim 7 recites “An article of manufacture, a physical document, in

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the form of a fraction of the title to (or equivalently, a fraction of a deed of trust to) the land and dwelling of individual single-family homes, acquired by a business entity for the purpose of protecting the individual single-family home's equity against loss upon eventual sale, created using the following equations identified in the specification". It is not clear how a physical document can be created using equations. This claim also recites the limitation "For $\$HPV > 0$ (price appreciation above the average trend line), $F\%$ can be a function of several variables, is set by agreement of the buyer, but always ranges between 0 and 1. Usually $F\%$ would be $= 0$ in this case since the owner did better than average appreciation. Figure 4 area labeled "A" shows this case". It is not clear from this limitation as to what is being claimed. Similarly it is not clear as to what is being claimed by the following limitations in the same claim "For $\$HPV \leq 0$, then $F\%$ ranges linearly from 0, when appreciation was average, to 1 when there was no appreciation, and there is some premium return ($\$11R > 0$). Figure 4 area labeled "B" shows this case" and "The final case is when the homeowner shows a loss on the sale of the home; that is, when $(\$SP - \$PP) \leq 0$, then the return $\$11R = (\$PP - \$SP)$ which guarantees that the homeowner suffers no loss of principle on the sale. Another option is to collect the premium in a lump sum, but this usually will increase the mortgage value (if the owner can't come up with the extra money}, upon which the homeowner is paying interest charges".

Similar ambiguities are present in the dependent claims 8-12. Applicant is requested to make appropriate corrections in their response to this office action.

In view of these ambiguities, the Examiner is unable to provide art rejections for these claims.

Claim Rejections - 35 USC § 101

7. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. Claims 7-12 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a “**new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof**” (emphasis added).

An “article of manufacture, a physical document, in the form of a fraction of the title to (or equivalently, a fraction of a deed of trust to) the land and dwelling of individual single-family homes” does not belong to any of the above statutory classes as discussed in the 112 rejections above. Even though the claims recite an article of manufacture, the claims are in fact drawn to a contract or a title or a negotiable instrument between two parties. The fact that the contract is printed on a physical document does not change the statutory classification of the claimed invention. A contract or a title as claimed does belong to any of the statutory classes as defined by the statute.

Also the steps of the method, for creating the alleged article of manufacture, are untied to another category of statutory subject matter and hence the claimed method of the invention does not qualify as a process under 35 U.S.C 101.

Claims 7-12 of the disclosed invention is inoperative and therefore lacks utility. These claims lack structure because there are not tied any other class of invention. The

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means for functions are nothing but mental steps and hence lack structure. From a process point of view, these claims are not statutory. Claims 7-12 recite a process comprising the steps of creating, securing, and providing. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Response to Arguments

9. Applicant's arguments with respect to pending claims have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

10. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within

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TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles R. Kyle can be reached at (571) 272-6746. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Narayanswamy Subramanian/
Primary Examiner
Art Unit 3695

March 19, 2010

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It appears that the applicant in this application is a *pro se* applicant (an inventor filing the application alone without the benefit of a Patent Attorney or Agent). Applicant may not be aware of the preferred methods of ensuring timely filing of responses to communications from the Office and may wish to consider using the Certificate of Mailing or the Certificate of Transmission procedures outlined below.

CERTIFICATE OF MAILING

To ensure that the Applicant's mailed response is considered timely filed, it is advisable to include a "certificate of mailing" on at least one page (preferably on the first page) of the response. This "certificate" should consist of the following statement:

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: "Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" on (date).

(Typed or printed name of the person signing this certificate)

(signature)

CERTIFICATE OF TRANSMISSION

Alternatively, if applicant wishes to respond by facsimile rather than by mail, another method to ensure that the Applicant's response is considered timely filed, is to include a "certificate of transmission" on at least one page (preferably on the first page) of the response. This method should be used by foreign applicants without access to the U.S. Postal Service. This "certificate" should consist of the following statement:

I hereby certify that this correspondence is being facsimile transmitted to the United States Patent and Trademark Office, Fax No. (571) 273-8300 (date).

(Typed or printed name of the person signing this certificate)

(signature)

These "Certificates" may appear anywhere on the page, and may be handwritten or typed. They must be signed, and the date must be the actual date on which it is mailed or transmitted.

For the purpose of calculating extensions of time, the date shown on the certificate will be construed as the date on which the paper was received by the Office, regardless of the date the U.S. Postal Service actually delivers the response, or the fax is "date-stamped" in. In this way, postal or transmission delays do not affect the extension-of-time fee.

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In the event that a communication is not received by the Office, applicant's submission of a copy of the previously mailed or transmitted correspondence showing the **originally** signed Certificate of Mailing or Transmission statement thereon, along with a statement from the person signing the statement which attests to the timely mailing or transmitting of the correspondence, would be sufficient evidence to entitle the applicant to the mailing or transmission date of the correspondence as listed on the Certificate of Mailing or Transmission, respectively.

NOTICE TO APPLICANT: In the case of lost or late responses the use of other "receipt producing" forms of mailing a correspondence to the Patent Office, such as Certified Mail, or a private shipper such as FedEx, **WILL NOT** result in the applicant getting the benefit of the mailing date on such receipts. These receipts are not considered to be acceptable evidence since there is nothing to "tie-in" the receipt with the particular document allegedly submitted.

/Narayanswamy Subramanian/
Primary Examiner, Art Unit 3695